

Super Easy International Fixed Interest

Quarterly Investment Option Update

31 March 2019

Aim and Strategy

The strategy aims to provide returns that track the Bloomberg Barclays Global Aggregate Bond Index. Investments into the International Fixed Interest asset class will be attained through the use of low cost index-focused investment managers.

Investment Option Performance

To view the latest investment performances please visit www.amp.com.au

Investment Option Overview

Investment category	International Fixed Interest
Suggested investment timeframe	3 years
Relative risk rating	Low to Medium
Investment style	Index

Asset Allocation	Benchmark (%)
International fixed interest	100
Cash	0

Market Review

Global government bond yields fell in January amid a rebound in risk assets. Led by the US, market expectations pivoted to a pause in US Fed rate hikes after the central bank signalled a more dovish tone. Yields were largely rangebound in February, with geopolitical influences such as improved confidence of a positive resolution to the US-China trade conflict appearing to outweigh largely poor economic data releases and further economic growth forecast downgrades by central banks. March saw a significant bond market rally, with fears of a global growth slowdown gaining further traction as softer economic data releases on balance were accompanied by a shift to a more dovish tone from key central banks. Notably, markets saw an inversion of the 3-month to 10-year US Treasury yield curve late in the period, an event which can sometimes be a signal for recession. The US 10-year bond yield ended the quarter at 2.41%, while the German 10-year bond yield and its Japanese counterpart ended at -0.07% and -0.08% respectively.

Outlook

Very low, though rising, sovereign bond yields point to low medium-term returns. The abatement of deflationary pressures, the gradual reduction in spare capacity and a shift in policy focus from monetary to fiscal stimulus, primarily in the US, indicate yields are likely to steadily trend higher, although the pace of change is likely to moderate in the shorter-term. Emerging market economies continue to experience some outflows.

Availability

Product name	APIR
AMP Flexible Super - Retirement account	AMP1379AU
AMP Flexible Super - Super account	AMP1508AU

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